



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES, 07-07, Hawaii State Income Tax Withholding

Date: April 18, 2007

To: Holders of TAXES (State of Hawaii only)
Personnel User Groups
T & A Contact Points in Hawaii

Beginning with wages paid for Pay Period 7, the National Finance Center (NFC) will make the following changes to the state of Hawaii State income tax withholdings:

- The Single, Head of Household, and Married tables will change.
- The dental and vision insurance program will be added to the nontaxable biweekly Federal Employees Health Benefits Plan payment section.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the NFC Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes are identified by “▶◀”.

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

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Hawaii State Income Tax Information

State Abbreviation: HI
State Tax Withholding State Code: 15
Acceptable Exemption Form: HW-4
Basis For Withholding: State Exemptions
Acceptable Exemption Data: S, M, H / Number of Exemptions
TSP Deferred: Yes
Special Coding: None
Additional Information: None

Withholding Formula ►(Effective Pay Period 7, 2007)◄

1. Subtract the ►nontaxable◄ biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes ►dental and vision insurance program, and◄ flexible spending account – health care and dependent care deductions) from the adjusted gross biweekly wages.
3. Add taxable fringe benefits (taxable life insurance, etc.) to the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 27 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to obtain the taxable income.

Exemption Allowance = \$1,040 x Number of Exemptions

6. Apply the taxable income determined in step 5 to the following table to determine the Hawaii tax withholding.

Tax Withholding Table Single or Head of Household

If the Amount of Taxable Income Is:		The Amount of Hawaii Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ ►2,400	\$ 0	plus	1.40%	\$ 0
2,400	4,800	34	plus	3.20%	2,400
4,800	9,600	110	plus	5.50%	4,800
9,600	14,400	374	plus	6.40%	9,600
14,400	19,200	682	plus	6.80%	14,400
19,200	24,000	1,008	plus	7.20%	19,200
24,000	and over	1,354	plus	7.60%	24,000◄

Married

If the Amount of
Taxable Income Is:

Over:	But Not Over:
\$ 0	\$ 4,800
4,800	9,600
9,600	19,200
19,200	28,800
28,800	38,400
38,400	48,000
48,000	and over

The Amount of Hawaii
Tax Withholding Should Be:

\$ 0	plus	1.40%	\$ 0
67	plus	3.20%	4,800
221	plus	5.50%	9,600
749	plus	6.40%	19,200
1,363	plus	6.80%	28,800
2,016	plus	7.20%	38,400
2,707	plus	7.60%	48,000

7. Divide the annual Hawaii tax withholding by 27 to obtain the biweekly Hawaii tax withholding.